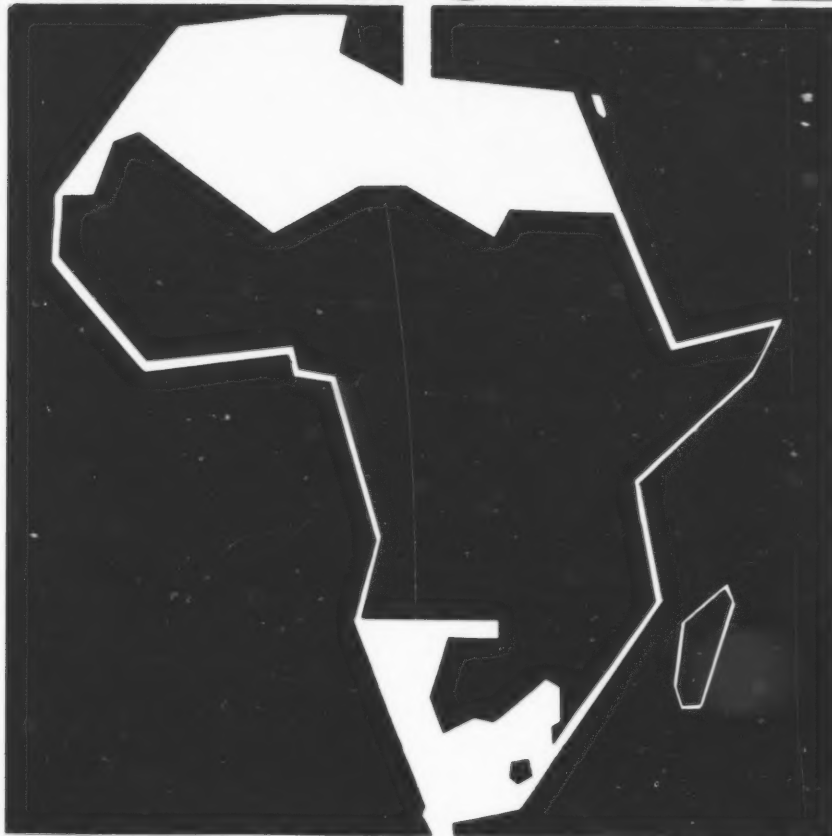


Africa UPDATE



THE WORLD BANK
External Affairs Unit, Africa Region



1990/91

From Crisis to Sustainable Growth:

A Long-Term Perspective on Sub-Saharan Africa

*Moeen A. Qureshi, The World Bank's
Senior Vice-President for Operations,
Takes a Fresh Look at the Region's
Problems and Prospects.**



The World Bank's recently published study—*Sub-Saharan Africa, From Crisis to Sustainable Growth*—is an important report, not just because it is based on years of consultation with African institutions, intellectuals and researchers, but because it looks back over 30 years of development experience and forward 30 years to new prospects and strategies.

While it is descriptive rather than prescriptive, a comprehensive basis for discussion and not a formula for overnight transformations, the report carries a clear message of hope and realism. It formulates a goal of 4-5 percent annual GDP growth for Sub-Saharan Africa from 1990 onwards

and it shows that this minimum target is attainable.

For those who see only the crisis in Africa, the report is an important corrective. It gives a picture of a long, arduous, uphill road ahead. But it describes the ascent as one that Africans—with a good deal of help from their friends—can make and, in certain countries, are already beginning to attempt. It says that poverty is not Africa's immutable destiny. And while there are no short-cuts to success, it is clear that success—in terms of better lives, not just better statistics—is possible and that Africans can achieve it.

*These remarks are excerpted from Mr. Qureshi's address to the Council on Foreign Relations in New York City, December 13, 1989.

THREE ROADBLOCKS TO PROGRESS

Past experience illuminates three significant roadblocks to this success—obstacles that an altered strategy must address.

First is the crucial importance of sound policy frameworks. In everything from exchange rate management through to investment in education or agriculture, the lessons of failed or inadequate policies in Africa stand out. Some of the most telling indicators of poor policy frameworks have been Africa's declining competitiveness in world markets and its growing inability even to feed itself. Let us remember that Africa was a net food exporter in 1960.

A second major factor contributing to Africa's crisis has been the failure to invest sufficiently and prudently in human resource development. History, and not in Africa alone, teaches that development depends heavily on how well societies build up the capabilities of their people and institutions. Unlike Asia and Latin America, these vital capacities have not been built in Africa.

The third concern is Africa's population growth rate. Elsewhere in the developing world, those rates have been declining over the past few decades. In Africa, on the contrary, over the last 30 years, population growth has accelerated from 2.4 to 3.3 percent annually. This unprecedentedly high rate has, to a great extent, swamped development efforts. Unabated, it would overwhelm future endeavor as well.

Flawed policies, unexploited human abilities and explosive population growth—these are three of the most important factors to be taken into account in analyzing Africa's disappointing development history and in devising remedial action.

These lessons from the past need to be absorbed and built upon if Africa is to survive and prosper in the 1990s and beyond. The world is in the midst of a new technological age—driven by rapid advances in information systems, in the biological sciences, and in materials research. High-speed, low-cost information processing and communications are transforming the way the world does business. Good market intelligence, flexible production structures, adaptable pricing mechanisms and a fast response to new opportunities are what give firms and farms a competitive edge. Over the past 30 years, the sad truth is that Africa has become

increasingly marginalized and cut off from the global marketplace.

That must change. If our analysis of the past is correct, it can change—provided Africa makes the right kind of adjustments and investments aimed at maximum efficiency and sustainable growth.

A STRATEGIC AGENDA

We should recognize, of course, that Sub-Saharan Africa is a very diverse region. Its 47 countries include a rich variety of people, ecologies and natural resources. But at the same time they share some remarkably common features both in the constraints on their development and in the options available for overcoming them. I would like to discuss some of the key, inter-connected themes in a strategic agenda for Africa's future.

Investing in People

The first priority should be to invest in people as both the means and ends of long-term development. The quality of human resource development programs in Africa needs to be improved, but the quantity of resources being applied also must increase.

A realistic goal, if the correct steps are taken toward it, would be to double expenditures for human resource development from present levels to reach 8-10 percent of Sub-Saharan Africa's GDP over the next ten years. The goal of such investments would be to ensure food security, primary education and health care for all Africans within the next generation—by the year 2020 at the latest.

Adjustment With A Difference

To achieve the 4-5-percent annual GDP growth necessary to sustain such a level of investment in human resource development, continued policy reforms and structural adjustment measures are essential. The latter part of the 1980s has seen a useful beginning. About 30 Sub-Saharan countries have adopted economic reforms and some fragile but positive results are emerging.

These are only the first steps down a very long road. The process must not only continue, but also continue to evolve into "adjustment with a difference." Reform must be better phased and implemented. Policy change must be more responsive to

long-term development priorities and to the needs of vulnerable groups affected by transitional costs. And adjustment must be more adequately funded by donors.

The adjustment process can be improved, but it cannot be avoided. There is no alternative.

The Population Issue

Nor does the population issue offer a choice. It must be faced frankly. On current trends, Sub-Saharan Africa's population of about 450 million people will double in the next 22 years.

Either Africa can try to slow that increase progressively to give itself time to meet its children's needs, or—continuing as before—be unable to improve the quality of peoples' lives. The sensible choice is clear.

In this extremely sensitive area, it is also clear that issues such as improving general health conditions, safe motherhood, child spacing, and the role of women in general are core components of the solution.

Agricultural Modernization

To feed Africa's rapidly growing population, agricultural productivity must rise at a yearly rate of about 4 percent. This is ambitious but achievable. Modernized, as it needs to be, agriculture can be a primary engine of growth.

Given the diversity of Africa's agricultural land, no quick or uniform "Green Revolution" is likely. On a country-by-country basis, however, practical research and extension technologies—seed hybridization and varying irrigation and pest control techniques—can and should be adapted to African conditions. Most importantly, the new methods need to be ecologically sound.

The Environmental Nexus

As it is, accelerating population growth combined with traditional agricultural methods are putting heavy and damaging pressure on Africa's land and other natural resources. Achieving faster economic growth for today's population at the expense of an unproductive natural habitat for future generations is neither economic nor acceptable. No time should be lost, therefore, in putting in place, country-by-country, environmental action plans—and

in mobilizing broad-based popular support for their effective implementation.

Regional Cooperation/Integration

The time has also come to move forward on the road to increased regional economic cooperation and integration in Africa. The benefits of regional cooperation, of expanded trade and markets, of economies of scale and of shared resources are real. But they require more than lip-service.

Entrepreneurship

Constraints and excessive controls on the growth and development of Africa's entrepreneurs and business people also need to be relaxed. Private small- and medium-scale enterprises—especially in the informal sector—can be a potent stimulus for growth in Sub-Saharan Africa. Much more should be done to create an "enabling environment" that can foster private sector dynamism in Africa and make it a strong ally in the long-term development effort.

CAPACITY BUILDING

If a single concept ties all of Africa's needs together, it is the idea of "capacity building." Whether in agriculture, industry, education or the social sectors, Africa lacks the requisite skills and well-managed public and private institutions for long-term, sustainable growth.

The challenge to help build long-term African capacity is an acid test for the donor community. Traditional technical assistance approaches should be reappraised and aimed at strengthening institutions. They should leave a lasting legacy of experience and skills.

GOVERNANCE FOR DEVELOPMENT

Capacity building is a crucial step toward improved administrative and political structures in Africa, toward greater efficiency, transparency and accountability, toward better governance. This is a highly sensitive issue and, to some extent, the long-term perspective study breaks new ground for a World Bank report in addressing it. The issue is

important, and it is important that it be clearly understood.

Outsiders should not attempt to advise African countries on the kind of political structures they should have. That is their decision. However, there is a need for a system of governance which encourages effective resource allocation—rather than a system which allows for wasteful spending or corruption. "Governance for development" means making the deliberate effort to be as efficient as possible in managing the development process. Given the scarcity of resources in Africa and the magnitude of the problems, African governments cannot afford to waste a penny in the development effort.

EXTERNAL SUPPORT VITAL

As well as improved domestic management in Africa, increased external support to Africa is vital. That "minimum target" of 4 percent annual economic growth is essential just to keep ahead of population increases. Just to achieve that modest goal, external support in the future must include

about 4 percent annual increases in gross official development assistance (ODA) in real terms—to reach \$22 billion by the year 2000—and concessional debt relief mechanisms to maintain the region's debt-service payments at current levels of about \$9 billion a year.

The challenge to the donor community is a major one, but so is the opportunity. If this level of assistance can be provided and used effectively, Africa's economic decline can be gradually reversed and the need for aid reduced.

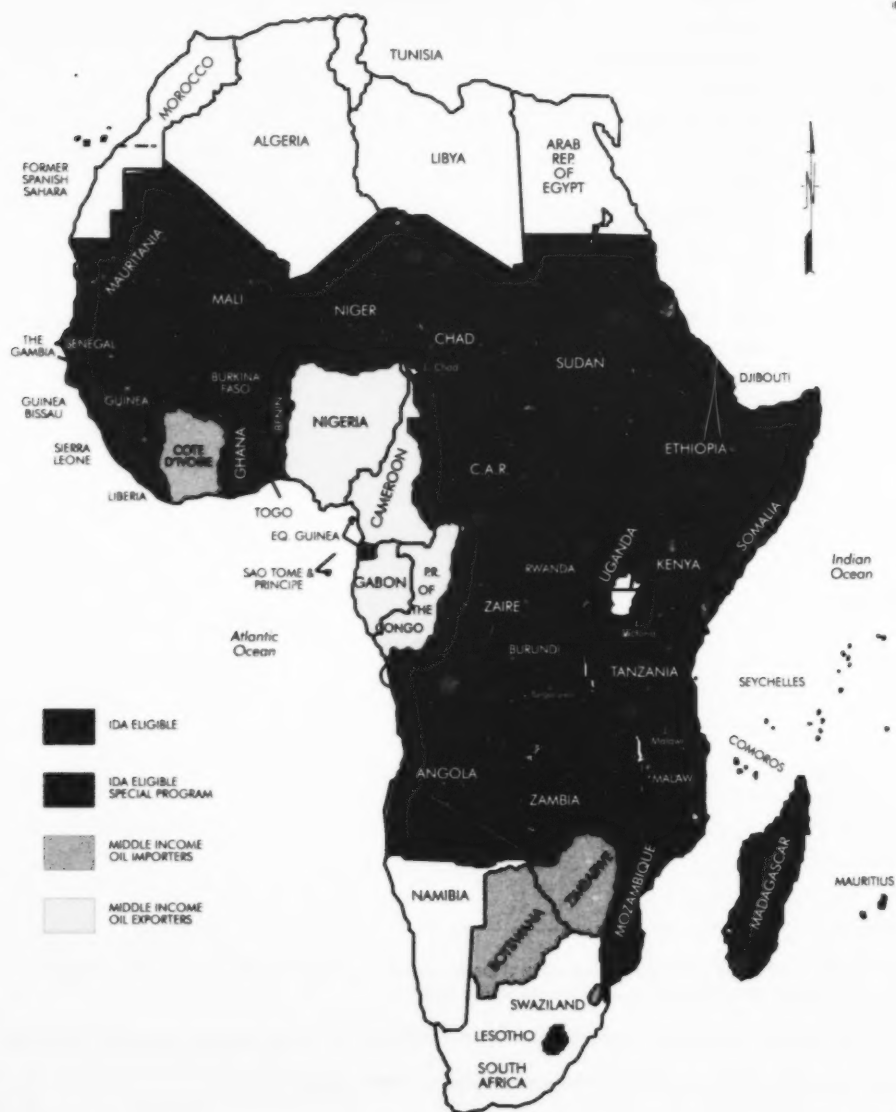
A NEW COLLECTIVE EFFORT

The resources of the World Bank, including the analytical contribution that comes from taking the long-term perspective of our recent report, have always been significant for Africa's growth—but inevitably inadequate to its needs. We look forward now to a renewed collective effort—to a global coalition for Africa that will help the region advance out of crisis and into sustainable growth. □

UPDATE

1990/91

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August 1990

Sub-Saharan Africa Country Groups

IDA-only countries ¹	Special Program ²	Middle-income oil importers	Middle-income oil exporters
Benin	Benin	Botswana	Cameroon
Burkina Faso	Burundi	Côte d'Ivoire	Congo, People's Republic
Burundi	Central African Republic	Mauritius	Gabon
Cape Verde	Chad	Seychelles	Nigeria ³
Central African Republic	Gambia, The	Swaziland	
Chad	Ghana	Zimbabwe	
Comoros	Guinea		
Djibouti	Guinea Bissau		
Equatorial Guinea	Kenya		
Ethiopia	Madagascar		
Gambia, The	Malawi		
Ghana	Mali		
Guinea	Mauritania		
Guinea Bissau	Mozambique		
Kenya	Niger		
Lesotho	São Tomé & Príncipe		
Liberia	Senegal		
Madagascar	Somalia		
Malawi	Tanzania		
Mali	Togo		
Mauritania	Uganda		
Mozambique	Zaire		
Niger	Zambia		
Rwanda			
São Tomé & Príncipe			
Senegal			
Sierra Leone			
Somalia			
Sudan			
Tanzania			
Togo			
Uganda			
Zaire			
Zambia			

1. These countries are eligible for credits from the International Development Association (IDA), but not for loans from the International Bank for Reconstruction and Development (IBRD).

2. Special Program of Assistance for low-income, debt-distressed countries that are implementing economic reform programs.

3. Nigeria became eligible for IDA credits in 1988 and remains eligible for IBRD loans.

Angola joined the World Bank in 1989. It has not yet been determined which programs will apply to it.

Overview

1990/91

A Global Coalition for Africa

Where is Africa headed in the 1990s? The signs are contradictory, supporting both pessimism and hope.

- Sixteen percent of the world's poor live in Sub-Saharan Africa. If current trends in population and economic growth continue, its share of world poverty is projected to be 30 percent by the year 2000.
- Income per person in the region grew during the 1960s, but stagnated in the 1970s and fell by 20 percent during the 1980s. The average African is almost as poor today as at independence.
- The population is growing at a rate of 3.1 percent a year, while the long-term trend of agricultural growth has been 2 percent. Despite growing food imports, 100 million people—a quarter of the region's population—were malnourished in the 1980s.
- Sub-Saharan Africa's share of world markets has fallen by half since the 1970s.
- The median percentage of children of primary school age who are enrolled in school fell from 77 percent in 1983 to 68 percent in 1986. Child malnutrition appears to have

grown worse during the 1980s.

Africa, in short, appears to be falling farther behind in an increasingly competitive world. Its role in the trading world of the future, including a united European market, is unclear. And Eastern European nations have emerged as strong candidates for the West's investment flows.

Signs of Progress

But there also are a number of positive signs:

- About two-thirds of the countries in the region are carrying out fundamental economic reforms—opening their economies to market forces, reducing overgrown bureaucracies and liberalizing trade.
- Responding to this reform process, the international community has accelerated its grants and low-interest aid to low-income countries carrying out reforms.
- Winds of political change are being felt in many parts of Africa, as pressures increase for greater accountability of government.
- And, among African countries and the international com-

munity, there appears to be emerging a greater consensus on a strategy for turning Africa's fortunes around.

"The region is at a crossroads," Edward V. K. Jaycox, the World Bank's vice president for Africa, has commented. "The 1990s will either see Africa further marginalized from the global economy and sliding further down the development scale; or the new decade will see Africa slowly reviving, taking the actions needed to bring about recovery and receiving the assistance necessary to sustain it."

Economic Reforms

The nature of economic adjustment programs has changed since a handful of countries began to undertake them in the early 1980s. As countries have gone deeper into the reform process, the emphasis has shifted from stabilization—bringing expenditures into line with resources—to increasing production and improving human conditions.

Three-fourths of the policy measures specified in adjustment programs supported by the World Bank now relate directly to strengthening production. Most World Bank adjustment loans now focus on specific sectors, such as agriculture, industry, banking or education.

The Social Dimensions of Adjustment (SDA) program, launched in 1988 by the African Development Bank, the United Nations Development Programme and the World Bank, is now operating in about 15 Sub-Saharan African countries. It seeks to protect vulnerable groups during economic reform, to integrate these groups into the economic mainstream and help countries develop greater means of monitoring the human effects of economic change.

Economic Performance

There are grounds for both optimism and concern in the recent economic performance of 22 low-income, debt-distressed African countries that are carrying out economic reforms and which have received support through the Special Program of Assistance (SPA). (See *Africa Update: Debt* for details of this program.)

Economic growth averaged 3.7 percent a year during 1988-89 in these countries, compared with 3 percent for all of Sub-Saharan Africa. Within the SPA group, countries with the strongest reform programs have consistently had the best economic growth since the mid-1980s.

Agricultural production, exports, investment, income and consumption have all grown faster in the SPA countries, on average in recent years, than in other African countries. But these recent positive trends are fragile, and not all of the SPA countries have shared in them equally.

Domestic investment and savings both remain at very low levels in the SPA countries. And, given their rapid population growth, income per person has remained virtually stagnant. Per capita consumption rose slightly in 1985-89, but not enough to erase its drop during the early 1980s.

The World Bank in Sub-Saharan Africa: 1990

Commitments of IBRD and IDA lending in the region totaled \$3.9 billion during fiscal 1990. About 71 percent was concessional lending through IDA.

Adjustment lending, which helps finance policy change rather than projects, totaled \$1.3 billion, or 32 percent of total lending—down from nearly 40 percent the year before. The share of investment lending thus rose to 68 percent.

Gross disbursements rose to \$2.8 billion from \$2.5 billion in 1989.

Net transfer of resources from the World Bank to Sub-Saharan Africa—disbursements minus repayment of principal, interest and charges—totaled \$1.3 billion, compared with \$1 billion in 1989.

Cofinancing of World Bank programs by other official donors amounted to \$4 billion in 1990. Nearly half supports the Special Program of Assistance (SPA) for low-income, debt-distressed countries. About \$1 billion consists of "coordinated financing," administered by other donors in support of IDA programs.

The International Bank for Reconstruction and Development (IBRD) is the branch of the World Bank that lends at near market interest rates. The International Development Association (IDA) extends credits to the poorest countries on concessional terms (repayment over 40 or 50 years at no interest).

A Long-Term Perspective

The World Bank's long-term perspective study, *Sub-Saharan Africa, From Crisis to Sustainable Growth*, concluded that, to solve these problems, Africa must go beyond structural adjustment and deal with fundamental questions relating to population growth, human capacities, institutions, governance and the environment. That report incorporated the advice of many Africans as well as others in the donor community.

It outlined a strategy including:

- Doubling the average growth rate of agricultural production from about 2 percent to 4 percent a year.
- Reducing by half the average number of children African women give birth to during their lifetimes—from 6.7 to 3.4 by the year 2010.
- Developing action plans to arrest damage to the environment and to adopt environmentally sustainable agricultural techniques.
- Doubling expenditures on education and health to between 8 and 10 percent of countries' gross domestic product.
- Increasing aid flows by 4 percent a year.
- Containing or reducing the region's debt service payments.

A Global Coalition

Since that study was published in 1989, efforts to reach a broader international consensus on a long-term strategy for Africa have gone forward. An international conference at Maastricht, in the Netherlands, sponsored by the Netherlands government and

attended by representatives of African countries and bilateral and multilateral donors, found broad agreement on these themes:

- The development of Africa will be a long-term process. It must grow from within Africa.
- Development must be a human-centered process. Achieving food security and universal access to health, education and employment are the central objectives.
- Growth of production must be restored. In many cases that will require fundamental policy reforms.
- Reducing population growth rates and protecting the physical environment through shifts to sustainable agricultural technology are necessary conditions in many countries for meeting these human goals.
- Economic and social advance in Africa would be furthered by increased regional economic cooperation and integration.
- Donors should make special efforts during the 1990s to mobilize additional financial assistance for Africa, including debt relief.
- Africa needs better governance. There is a clear demand for measures to ensure greater accountability and popular participation in public affairs.

The conference supported a proposal to create a Global Coalition for Africa—a group of thinkers and decision-makers from African countries and the international community, who would seek to continue building a consensus strategy for Africa's fu-

The Process of Economic Reform

Here are some examples of economic reforms being carried out among 22 African countries taking part in the Special Program of Assistance (SPA):

External trade: The Gambia, Ghana, Madagascar, Mauritania and Senegal have progressively abolished almost all quantitative trade restrictions, introduced simplified tariffs and adopted open general licensing for nearly all imports.

Civil service: The Gambia has reduced its civil service by a quarter and frozen total positions. Guinea cut its civil service by a sixth; Mozambique, by a tenth. Ghana has redeployed more than 25,000 government workers.

Public enterprises: By 1987 more than 200 companies had been, or were being, privatized or liquidated. Since then, The Gambia, Ghana and Central African Republic have added more than 40 enterprises to their divestiture lists.

Agricultural prices: The "taxation" of agriculture through price controls and exchange rates has generally declined, and real producer prices have risen. Guinea, Malawi, Mali, Niger, Somalia and Zaire have freed agricultural prices or opened farm commodities to private trade.

Domestic commerce: Most governments are scaling back state-owned trading monopolies, deregulating prices or bringing prices more in line with costs. Tanzania has deregulated more than 400 commodities.

Exchange rates: The SPA countries achieved an average 25 percent depreciation in their real, effective exchange rates between 1985 and 1989.

Interest rates: About two-thirds of 16 SPA countries with comparable data achieved positive real discount rates by 1988. But negative interest rates prevail in many countries.

Fiscal deficits: Not enough progress has been made so far, since these countries have limited scope to raise revenues and since they urgently need to maintain spending levels for human programs and to rehabilitate infrastructure. □

ture, develop new ideas, monitor progress, and keep the international community's attention firmly focused on Africa's needs. The coalition would have a small secretariat. It would be jointly headed by former World Bank President Robert S. McNamara, President Quett Masire of Botswana and Netherlands Minister for Development Cooperation Jan Pronk.

"The difficulties facing Africa are formidable," World Bank President Barber Conable has

said. "The need for concerted action among all partners in development—African governments and multilateral institutions, the private sector and the donors, official and non-governmental—has never been greater. We all share responsibility for the future, and the problems are big enough for all to have a role in their solution." □

World Bank Lending to Sub-Saharan Africa, Fiscal 1981-90

(US\$ millions)

	Annual average 1981-85	1986	1987	1988	1989	1990	Annual average 1986-90
Agriculture and rural development	514.2	434.7	519.2	562.3	754.8	997.4	653.6
Development finance companies	90.8	85.3	518.0	232.5	311.6	127.6	255.0
Education	109.1	114.7	104.9	178.2	88.2	350.7	167.3
Energy							
Oil, gas, and coal	71.8	3.1	35.0	-	31.2	-	13.9
Power	129.8	217.0	69.3	88.0	138.4	230.0	148.5
Industry	37.2	193.9	-	150.5	81.4	105.1	106.2
Population, health, and nutrition	27.9	81.1	30.8	121.4	81.3	232.7	109.5
Public sector management	3.3	-	75.0	165.0	-	45.6	57.1
Small-scale industry	21.0	30.0	16.0	-	270.0	130.0	89.2
Technical assistance	70.3	58.4	50.7	95.7	144.6	56.0	81.1
Telecommunications	43.9	46.5	27.8	-	103.3	225.0	80.5
Transportation	347.1	193.3	226.7	618.6	248.7	543.6	366.2
Urban development	54.2	153.0	130.5	146.5	414.0	360.4	240.9
Water supply and sewerage	88.6	19.5	61.8	45.0	238.2	257.2	124.3
Nonproject	265.5	416.0	232.0	525.0	1,019.0	271.6	492.7
TOTAL IBRD and IDA	1,874.7	2,046.5	2,097.7	2,928.7	3,924.7	3,932.9	2,986.1
Of which: IBRD	806.5	901.2	865.8	725.1	1,560.6	1,147.0	1,039.9
IDA	1,068.2	1,145.3	1,231.9	2,203.6	2,364.1	2,785.9	1,946.1
Of which adjustment lending ²		574.5	819.5	977.0	1,532.4	1,284.8	1,037.6
Percentage		28	39	33	39	33	35
Memorandum:							
Special Facility ¹		535.8	421.4	112.6	27.9	26.8	224.9
Total including Special Facility		2,582.3	2,519.1	3,041.3	3,952.6	3,959.7	3,211.0

1. Administered by IDA; financed by donor governments.

2. Adjustment lending includes structural adjustment loans, which are recorded above under "nonproject," and sectoral adjustment loans, which are included in amounts for individual sectors.

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Investing in People Is Key to Future

Between now and the year 2000, 165 million people will be born in Sub-Saharan Africa, increasing the current population by a third. What kind of lives will these people lead in the next century?

The world they will face will be more competitive. Rapidly advancing communications and information systems are linking people ever more closely into a global market. The rush of technology is causing nations to scramble for comparative advantage.

As Sub-Saharan Africans look ahead to such a world, the following statistics on the region stand out:

- In 1986, the most recent year for which there are comprehensive figures, only seven out of ten children of primary school age were enrolled in school. In other age groups, one out of five attended a secondary school; one out of fifty, a university. Less than half of adults could read.
- In sample groups of preschool children measured in recent years, one quarter to one half were found to be stunted, a sign of chronic malnutrition.
- At least a third of the region's people live more than 8 kilometers from a primary

health facility. Only about a third of children are immunized against the major child-killing diseases.

Improving education, nutrition and health care are important human goals in themselves. They also are crucial investments in the future. Increasingly it is being recognized that the best way to improve the quality of life is to empower people to take charge of their own economic development. (See *Africa Update: Capacity Building.*)

Seeking Education for All

Education is gradually changing the face of Africa. In Kenya, the cost of educating children is one factor that has led parents to want smaller families. (See *Africa Update: Population, Agriculture, Environment.*) In the Iringa region of Tanzania, education of mothers has helped reduce child malnutrition. In other countries, young people who have been to school are bringing new ideas about self-government and community initiative into villages.

There is evidence in Africa of a widespread demand for educa-



World Bank photo

tion. "A literate farmer can produce more crops," says a young man in a Gambian village. A young woman attends an adult literacy course from 2 to 5 every afternoon. She wants to be able to read agricultural newsletters. At night in Lomé, Togo, students whose homes are without light read textbooks under street lamps.

But in most African countries, the desire for education is far ahead of what governments have been able to provide. In 1960, as independence was arriving on the continent, only a third of the Sub-Saharan African children of primary school age went to school. By 1983, the median ratio was 77.

But during the first half of the 1980s, some of this progress was reversed. African countries experienced severe economic shocks and were forced to cut overall budgets. Spending on education declined, while the school age population kept growing. By 1986 (the most recent year for which there are comprehensive figures) the median primary enrollment ratio had slipped to 68 percent. (See table.) This figure conceals wide variations. In Madagascar, Togo, Kenya and Lesotho essentially all primary age children are in school. In Burkina Faso, Mali and Niger only 20 to 30 percent are.

The figures are sharply tilted against girls. While eight out of ten boys of primary school age in Sub-Saharan Africa attend class, only six out of ten girls do. About 60 percent of the children who start primary school complete it. Only a third of those go on to secondary school.

In much of the region, the quality of education has declined during the 1980s. Many countries built schools rapidly during the 1970s, but then

found they could not adequately maintain or staff them. As a result, many school buildings are falling apart. In some schools, children sit on the floor because there are no desks or chairs. Often several children must share one book. Many teachers have had little training.

Goals and Constraints

Virtually all African countries share the ideal of a good, basic education for all children. But as they work toward this goal, they encounter two realities: population growth and limited resources. Africa's school-age population is increasing at an annual rate of 3.4 percent (slightly faster than the total population). Between now and the year 2000, the number of children of primary school age will increase from 86 million to 120 million.

The Gambia had a 60 percent primary enrollment rate in 1986/87. To reach full enrollment early in the next century would mean almost tripling the number of primary school places that existed in the country in 1986. Gambian officials believe that is out of reach. They have adopted a plan to raise primary enrollment to 75 percent by that time. Even this will require doubling the number of primary school places.

Because their own resources (and external resources) are limited, African countries seeking to improve education are forced to find new ways to economize and to tap the energies of local communities.

- Under The Gambia's plan, there will be double shifts in many primary and all secondary schools. New schools will be built and others repaired through local community efforts, with the national govern-

ment paying for materials. Secondary school fees are expected to rise. The government plans to help Arabic-speaking Islamic schools share the load; for example, by training their teachers and introducing English language courses. The Gambia also is reorganizing the grade structure of its schools, overhauling the system for providing textbooks, training teachers and encouraging enrollment of girls.

- Burkina Faso, where the primary enrollment rate is about 30 percent, is working on a plan to almost double the number of classrooms, in large part through community efforts, and to train up to 1,000 teachers a year by 1996. Given the rate of population growth, even this ambitious plan would raise primary enrollment only to 40 percent by that year.
- Ghana began overhauling its education system in 1986, starting at the primary and junior secondary levels. It has raised primary enrollments from 65 to 72 percent in the last three years. The share of basic education in the budget has risen from 44 to over 60 percent. The flow of textbooks to schools has been resumed and teacher training strengthened. To lower costs, the proportion of boarding students at government secondary schools has been reduced. Food subsidies have been eliminated at secondary schools and universities. With support from a World Bank IDA credit, Ghana is now entering a second stage of this program which will extend it to senior secondary

levels and help other reforms to be continued.

- In Tanzania, local communities are being asked to repair schools using government-supplied materials. New secondary schools will be built through community-based, non-profit organizations. There are plans to open the supply of textbooks to private competition.

Education ministers of the nine countries of the Sahel (which include Burkina Faso and The Gambia) met in Bamako, the capital of Mali, in January 1990, and proposed a major upgrading of education systems in their region with the objective of "education for all" by the year 2000. They emphasized primary education, improvement of quality and increased enrollment of girls. Since their countries are poor, the ministers said, much of this would have to be done by stretching existing resources and finding new ones—for example, by adopting double shifts in schools, eliminating boarding of students and cutting scholarships at the higher levels, mobilizing local community efforts and assisting traditional Islamic schools to carry some of the load.

The World Bank's education aid to Sub-Saharan Africa is scheduled to more than double from \$625 million spread over 1985-89 to \$1.5 billion during 1990-94. This will include 42 operations in 31 countries. Twelve of the operations will be broad adjustment programs in the education sector. Many of the other more traditional projects will include elements of policy change.

While most education reform programs undertaken by African countries have put major em-

School Enrollment in Sub-Saharan Africa

Number enrolled as percentage of age group. (Median figures.)

	1960	1970	1980	1983	1986
Primary					
Total	33	51	75	77	68
Male	40	57	91	91	81
Female	21	34	60	60	63
Secondary					
Total	2	7	14	17	16
Male	3	9	19	21	22
Female	1	4	8	11	11
Higher					
Total	0.2	0.5	1.1	1.3	1.4
Male	0.3	0.7	1.6	2.0	2.3
Female	0.0	0.2	0.4	0.5	0.6

Source: Education in Sub-Saharan Africa, World Bank AFTED Technical Note No. 1, April 1990.

phasis on primary education, total international aid to Sub-Saharan African education is heavily skewed toward the higher levels. In recent years, only 7 percent of it has gone to primary education.

Education was made a human right in the Universal Declaration on Human Rights adopted at the United Nations over four decades ago. That right was reaffirmed by the World Conference on Education For All, held in Jomtien, Thailand, March 6, 1990. It is expected that most regions in the developing world will achieve universal primary school enrollment by the year 2000. But Sub-Saharan Africa is the exception and remains a long way from making this a reality.

The Many Faces of Hunger

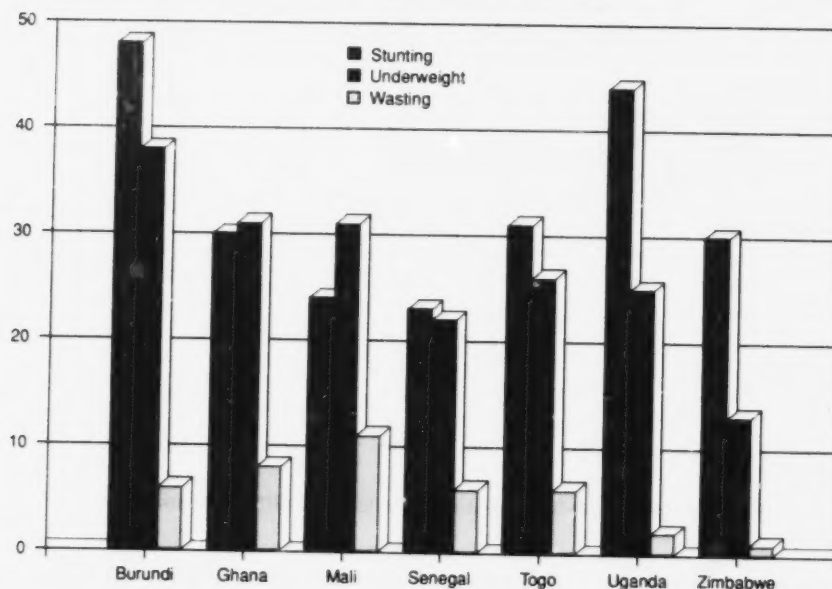
Malnutrition is endemic in Africa and appears to be getting worse. In sample groups of

children in seven African countries during the second half of the 1980s, a quarter to a half were found to be stunted, a sign of chronic malnutrition. In several of these countries, a quarter or more were underweight. (Figure 1.) According to other data, also based on small samples, 25 percent of children showed signs of malnutrition in the 1960s, 26 percent in the 1970s and nearly 30 percent in the 1980s.

Malnutrition has many causes. Figure 2 shows these as rungs on a ladder leading to the goal of an adequately fed people.

The first rung is the physical availability of food—either locally produced or imported. Africa's population is growing at a rate of 3.1 percent a year, while food production has been growing at a rate of about 2 percent. The gap has been partially filled by imports, both commercial and food aid. Even so, Africa's food

Figure 1
Malnutrition in Children 3-36 Months
Percent Stunted, Underweight and Wasting



Stunting (low average height compared with a well-fed group of the same age) indicates chronic malnutrition in the group sampled, though not necessarily in a given child. Underweight (low weight in relation to age) indicates a combination of chronic and immediate malnutrition. Wasting (low weight in relation to height) indicates immediate, acute malnutrition.

Source: Demographic and Health Surveys 1986-89.

supply per person—2095 calories per person per day in 1988—was only 90 percent of the minimum estimated by the World Health Organization as necessary for a healthy life. The average conceals the fact that many are far below it.

When severe drought, insects or war ravage the land, the lack of food is acute. This is the aspect of hunger that television viewers see. But even without these scourges, many countries suffer severe seasonal malnutrition. Ironically, it coincides with the rainy season, which comes before the harvest.

In The Gambia, the rains come around July and last into the

early fall. The staple food is rice. But a typical rural household grows enough rice to last only four to six months. People depend on the sale of groundnuts to buy rice during the rest of the year. But by August last year's rice crop is gone, and the money from last year's groundnuts has been spent. The new crops are just being planted. During this period, the average intake of calories among rural Gambians drops by about 20 percent. This happens just when people are working many hours in the fields and their need for food energy is rising. At the same time, the rains bring mosquitos and com-

pound problems of sanitation, so malaria and diarrhea are at their worst. Malnutrition rates among children rise during this period. Pregnant women lose weight and give birth to smaller babies, whose chances of survival are reduced. One study showed that the prevalence of low birthweight babies rises from 13 percent to 35 percent during this period. Gambians call it the "hungry season." Much the same thing occurs in Benin, Burkina Faso, Lesotho, Madagascar, Malawi and other countries.

Malnutrition can also occur even when food is plentiful. The next rung on the ladder is people's access to food. Malawi is a case in point. Since independence, its government has given priority to agriculture. On the surface, it is self-sufficient in food. In most years it produces a surplus of maize, its staple diet, and is a net exporter of cereals. Yet data indicate that about half of the country's children under five years of age are stunted due to a combination of malnourishment and disease. In a study in an especially poor area of the country (Zomba South), 80 percent of children aged 24 to 42 months were found to be malnourished during the pre-harvest hungry season, which in Malawi runs from February through March or April.

The reasons are complex. As Malawi's population has grown, its average farm size has become smaller. Half of rural households have less than one hectare of land, the minimum necessary for food self-sufficiency using local varieties of maize. The average household grows only half the calories it consumes. Family members work off the farm, often on large agricultural estates, to earn cash to buy additional food. More than half of these households purchase more

maize than they grow. So, when Malawi raised prices of maize to encourage production during the 1980s, many families found they could afford to buy less food. Households headed by women have been particularly vulnerable. Their plots tend to be smaller than those of men, and they have fewer sources of off-farm income. During the planting season, the time constraints on women are enormous. They must plant and weed their own fields, work at other jobs to earn cash, and still keep up with all of their household duties. Planting and weeding are often delayed and crop yields fall.

Malawi is aggressively pursuing a number of pilot programs to determine the best way to address its food security problems. These include child feeding, credit to help farmers buy needed supplies, and public works construction projects in which people are paid for their labor in food.

The heavy workload of women directly affects the nutrition and health of children. Tanzania provides an example. Like Malawi, it usually grows enough food for its people. But an estimated 40 percent of its children are underweight for their ages. A further paradox is that some areas of the country with the highest agricultural production also have very high rates of child malnutrition. A nutrition project in the Iringa region sought to find out why. The main conclusion: Children are simply not fed frequently enough. They have small stomachs. Their staple diet, a porridge made from maize, is bulky, and they can only eat so much of it at a time. They should be fed five or six times a day. But their mothers, who must work in the fields, collect firewood, carry water, grind

grain, pound cassava and make oil from the seeds by hand—to list only some of their duties—do not have time to feed children this frequently.

Weaning practices are important in nutrition. Breastfeeding provides babies with immunity and also spaces births. Health programs encourage it. Children should get supplemental food starting at about six months, but women frequently do not have time to prepare these extra meals. When they do, the weaning porridge often is too bulky or is made with contaminated water.

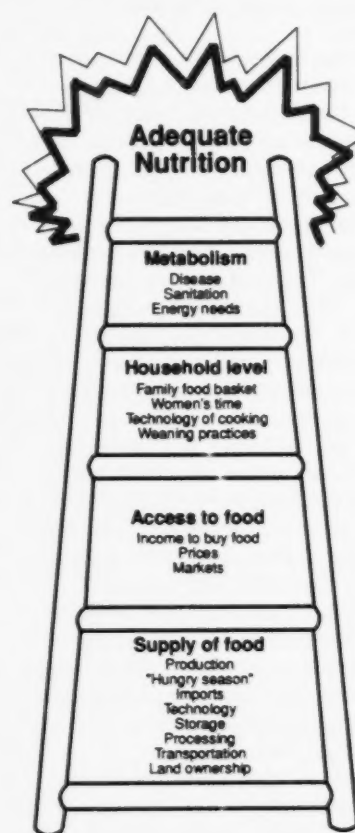
Distribution of food within the family is another factor. During the pre-harvest season, adults working in the fields need more energy. A study in one African country showed that adults were getting 90 percent of their biological energy needs during periods of food scarcity, while children under four years of age got less than 50 percent.

The final rung on the nutrition ladder is metabolism. Diarrhea, often caused by lack of sanitation, robs the body of nutrients. Malaria causes loss of appetite at the same time that fever raises the need for energy. Other problems involve lack of specific nutrients in the diet. Lack of iodine causes goiter and mental retardation. Severe vitamin A deficiency can cause blindness.

The fact that there are so many causes of malnutrition means there are also many solutions, and these will be needed in different combinations in different countries. Sometimes the overriding need is to produce more food. Sometimes it is to reduce seasonal malnutrition by developing ways to preserve and store food or to vary the types and timing of crops. In many cases, an important step will be to develop new sources of in-

Figure 2

A Nutrition Ladder



come so people can buy food. However, extra income is not always spent on food. A study in Kenya showed that even a doubling of family income would not cover the caloric deficit of pre-school children.

Other approaches deal with problems of women's time, for example, by developing stoves that operate more efficiently and therefore reduce the time spent in gathering wood. Others involve improved weaning foods for small children. Tanzania has found that using germinated flour makes a more nourishing porridge. A number of countries

provide daily meals for school children. Some programs provide missing nutrients. Mali has experimented with iodizing water through dispensers placed in wells.

Some of the most successful nutrition efforts in Africa are ones that combine many of these elements and also involve a high degree of community participation. One of these has been operating in the Iringa region of Tanzania since 1983, supported by the Tanzanian Government, the United Nations Children's Fund, the World Health Organization and the Italian Government. The program includes regular weighing of children in villages. The resulting information enables local communities to examine their nutrition problems and take initiative themselves to deal with them. Specific efforts have included improving water supply and sanitation, encouraging home gardens and labor-saving devices, providing day care and feeding of small children, making credit available to women so they can increase their income, along with maternal and child health care. Between 1984 and 1988, the prevalence of severe malnutrition among children under five declined from 6.3 percent to 1.8 percent in Iringa. Mild to moderate malnutrition declined from 50 percent to 36 percent. Immunization of children rose from 50 percent to 92 percent. The program is being extended to other areas of the country.

As part of a pilot food security program in Madagascar, community centers, operated by local volunteers, serve meals to underweight children; canteens in several cities sell food at subsidized prices targeted on the poor; urban families receive credit and technical assistance

to raise poultry, primarily to generate income.

The Gambia government is launching a five-year Women in Development project which addresses the problems of women at many levels. It is the first of its kind to be supported by the World Bank. The project seeks to increase the agricultural productivity of women through better extension services. It also is aimed at increasing literacy among women and improving

Woman's Work

A survey of women in 18 villages in Niger in 1989 found this average daily work schedule.

	Hours	Minutes
Fetching water	2	5
Fetching wood	1	4
Animal care		41
Working in fields	2	16
Cooking	2	7
Other household wk.		57
Pounding, husking	2	45
Child care		30
Crafts	2	
Social, religious	1	22
TOTAL PER DAY	15	57

their marketing skills so they can earn income from vegetable gardens and other projects. It includes efforts to improve sanitation, health care and family planning.

Health Care for All

In Sub-Saharan Africa today, life expectancy at birth averages 50 years. Nearly one child in five dies before reaching the age of five. African women are 40 to 50 times more likely to die in childbirth than women in Europe.

The conditions of health that underlie these figures stem from

many factors. Africa's physical environment is receptive to the transmission of parasitic diseases including malaria, sleeping sickness and river blindness. Chronic and seasonal malnutrition compound the severity of ordinary childhood diseases and add to the risks of childbirth.

The rate of population growth affects health in two main ways. Maternal and child deaths are higher when women have many children. The average African woman has six children during her lifetime. Rapid population growth also makes it extremely difficult for African countries to provide health services for everyone. At present fertility rates, Zaire would have to build 11,000 new health centers to provide care for all of its people by the year 2030, compared to 2,000 if fertility rapidly declined.

Lack of access to medical care is not confined to rural areas. While statistics often show more doctors per person in cities, these often are concentrated in a few hospitals and private clinics, which the poor cannot afford. An estimated one-third of the population of Kinshasa, Zaire, never sees a doctor.

African health care systems often cost more to operate than those in other parts of the world. Staffs are frequently underutilized. Drugs usually are supplied by government organizations, often without competitive bidding and with little use of more economical generic medicines.

The economic crisis of the 1980s compounded these long-term problems. In many countries, health budgets were cut. Since governments were reluctant to reduce employment, these cuts often were made in operating budgets, leaving health service organizations unable to purchase drugs, fuel and spare parts.

These budget cuts do not appear to have caused any overall decline in health indicators. But they have undoubtedly slowed progress toward better health care.

On top of all this, Africa faces new health challenges. The spread of AIDS threatens to overwhelm its health resources. New varieties of drug-resistant malaria have appeared in several countries.

A great many programs have been launched in Africa to combat specific diseases and health problems. Far fewer efforts have focused on the systems by which health care is delivered. Yet Africa's health problems are so large and its resources so limited that major progress will depend greatly on developing systems that are efficient and affordable.

One promising approach involves community-based programs with active local participation. Given the necessary information, African villagers are quite capable of analyzing their health problems and making decisions to deal with them. When a growth monitoring program in Kindundu in southwestern Zaire showed that half the village children were underweight, the local health committee, the village health worker and the local nurse began analyzing the causes. They decided one reason was that mothers with breast-fed children were leaving them at home when they worked in the fields, and the children were not being fed often enough. The committee adopted a policy that women should carry these children on their backs when they worked in the fields—a practice that had been abandoned years before. The second cause, they decided, was that there were too many children, and they asked the government

Reducing the Impact of AIDS

The World Health Organization (WHO) estimates that, as of July 1, 1990, more than 5 million persons on the African continent had become infected with the AIDS virus. About half of them are expected to contract the disease and die of it during the next ten years.

By the above date, 65,000 AIDS cases had been officially reported in Africa. WHO estimates the actual number of cases at about 500,000. Africa south of the Sahara accounts for nearly all of these estimated cases and infections.

Among hospital patients in Kinshasa, Kampala, Kigali, Lusaka and Abidjan, AIDS has become the leading cause of death. In some African cities, up to 50 percent of hospital beds are occupied by AIDS patients.

Rates of infection by the AIDS virus have been rising in almost all African countries. In the worst affected areas, such as Rwanda, Uganda and northwest Tanzania, 20 to 30 percent of urban adults tested were HIV positive. Sixteen percent of pregnant women tested in Blantyre, Malawi, were found to be infected; 29 percent in Kigali, Rwanda. Nearly 90 percent of prostitutes in Nairobi tested positive in 1988. The epidemic also is spreading among rural populations.

Because pregnant women transmit the virus to their babies, AIDS has the potential in many countries to wipe out the gains that are being made in reducing child death rates. A demographic study in Zaire estimated that if 50 percent of those infected contract the disease, the infant mortality rate would rise from the current 102 per 1,000 births to 107 by the year 2000. Without AIDS, the rate could be expected to fall to 70.

While the epidemic could slow rates of population growth—particularly in severely affected countries—it will in no sense eliminate the need for sound policies to bring population growth into line with economic growth.

The costs of treating AIDS patients will certainly be high. And, since the disease primarily strikes people in their most productive years, the loss to African economies could be significant.

However, there is still much that African countries can do to lessen the impact.

A number of African countries have low rates of AIDS infection but high rates of syphilis and other sexually transmitted diseases. Research shows that people with these diseases have an increased risk of becoming infected with AIDS. These countries still have time to reduce their future number of AIDS cases by starting strong programs now to treat sexually transmitted diseases and to distribute condoms.

One of the biggest steps countries can take is to improve their overall health systems so as to provide better health care for all people, including AIDS victims. Viewed as part of broad health care improvement, the incremental costs of treating AIDS patients do not loom as large.

But it is not only the patients who will need help. So will their survivors—particularly the children. The World Bank is launching a research project on ways to ease the burden among the families of AIDS victims. □

health system to send birth control materials.

In Kikimi, a part of the city of Kinshasa in Zaire, a local health committee including market women, laborers, teachers, textile workers and others sets policies for a local health center. It sets fees, reviews inventories, oversees security and regularly examines 70 performance indicators. If these indicate, for example, an increase in measles, the committee consults with doctors and takes action. Some 500,000 people are covered by this program.

In Senegal, a local committee manages the health care system and drug procurement program of Pikine, a large suburb of Dakar.

"For people to be at the center of their development, they should be empowered to assess their health situation, analyze and act upon it," says Dr. Jean-Louis Lamboray, health specialist in the Africa Region of the World Bank. "They should also have the authority and capacity to develop and manage health care delivery services. Service providers should be made accountable to them for the quality and coverage of both health information and services."

"Today, health clinics are open when mothers are in the field and closed when they are at home," Lamboray said. "The solution is not to follow them with mobile teams but to make sure that these mothers have a say in negotiating the hours the clinics remain open."

Mali is setting up a national health system based on this philosophy. It involves a contract between a district health team, representing the government, and a local health committee, representing a community of at least 5,000. The government agrees to pay half the investment

cost of renovating or building a community health center. The community pays the other half and also is responsible for direct operating costs, including salaries. In the case of particularly poor communities, the local share can be provided by a non-governmental organization. Members of the community are trained to manage the health center. They can hire and fire its employees. The community can raise the necessary money through local taxes, by charging patients for services, by selling drugs to patients or by a combination of these.

In the past, many health programs in Africa often have sought to deal with specific diseases and health problems. The broader approach, of which Mali's program is an example, attempts to make the health system more effective and affordable.

Toward a New Century

The World Bank's long-term perspective study, *Sub-Saharan Africa, From Crisis to Sustainable Growth*, suggests as a goal that all Africans have access to primary education, adequate nutrition and basic health care by the year 2020.

To achieve this, it calls for a doubling of Africa's public expenditure on human resources development from 4-5 percent of gross domestic product now to 8-10 percent by the end of this century. In addition, the report stresses, African countries must make these resources stretch farther, make greater use of private resources, go forward with adjustment programs and deal with the fundamental problems of population growth, agriculture, the environment, the private sector and the quality of governance.

The World Bank plans to double its own lending in the population, health and nutrition sector in Africa over the next five years, with planned projects totaling \$1.5 billion.

The conditions of education, nutrition and health that exist in Africa today are the real manifestations of poverty. The World Bank's *World Development Report 1990* estimates that nearly half the people of Sub-Saharan Africa live in poverty today. Based on past, long-term trends, it calculates that there will be 100 million more poor in Africa by the year 2000, and Africa's share of the world's poor will rise from 16 percent to 30 percent.

Even under a relatively optimistic economic scenario, that report says primary school enrollments in Africa are likely to reach only 86 percent by the end of the century and that deaths of children under five will still be over one in ten.

Those are projections based on Africa's past. The one thing the calculations do not include is the potential of human beings—the possibility that a better educated, better fed and healthier people could beat those odds. □

Suggested Reading

Sub-Saharan Africa, From Crisis to Sustainable Growth, World Bank, 1989.

World Development Report 1990, World Bank.

The Social Dimensions of Adjustment in Africa, African Development Bank, UNDP, World Bank, 1990.

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Capacity Building

1990/91

An Initiative for the Long Term

"In many African countries, the greatest limitation on the capability to sustain national development is a shortage of properly skilled and motivated human beings."—President Quett Masire of Botswana, in his opening address to the Africa Conference in Maastricht, the Netherlands.

Africa can develop only through the efforts of its people. The building of human resources is therefore the most important investment the region can make towards its future.

Two-thirds of the countries of the region are carrying out wide-ranging economic policy reforms. To be sustained, these new policies must be developed and carried out by Africans themselves.

This means Africa has an urgent need for top-flight training and research institutions, and for indigenous professional policy analysts and economic managers. It also means the region must make the best use possible of the considerable amount of African talent that already exists.

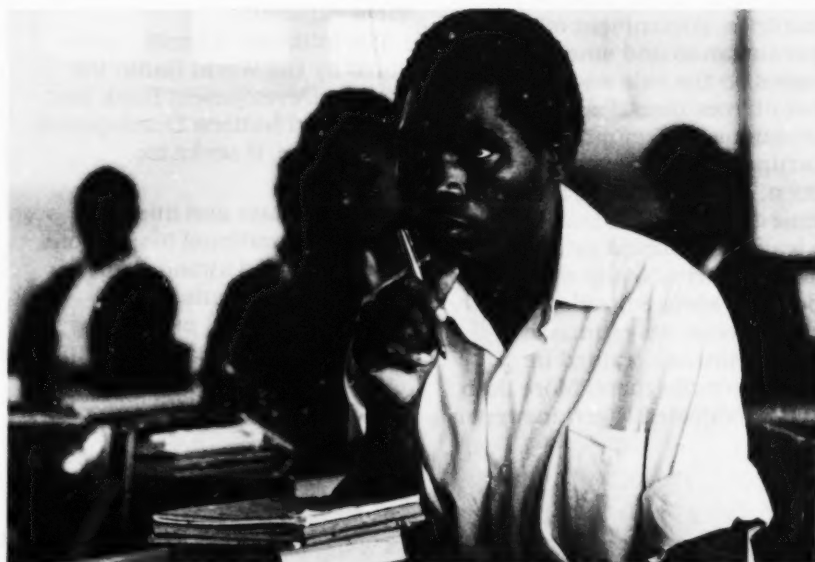
Edward V. K. Jaycox, the World Bank's vice president for Africa, describes this need as "the most urgent development challenge facing Africa." It is one that cuts across all sectors of development efforts—agriculture, industry, social services, and protection of the environment.

The Problem

Africa has come a very long way from the abysmal level of training and institutional capacity that it inherited at independence. At that time less than a quarter of civil service posts were held by Africans. In Zaire, there was not a single African engineer, lawyer or doctor. Zambia had only a hundred university graduates and a thousand secondary graduates. In 1961, the

University of East Africa, serving Kenya, Tanzania and Uganda, which then had a combined population of 23 million, turned out just 99 graduates. Most industry was foreign-owned. Aside from small traders, there was almost no indigenous private sector.

During the early years of independence, the Rockefeller, Ford and other international foundations helped create first class



World Bank photo

training and education institutions in Africa. But during the economic crises of the past two decades, many of these have suffered severe declines as a result of both lack of funds and lack of commitment. Makerere University College in Kampala, Uganda, once one of the finest academic institutions in the developing world, was reduced by economic hardship and war to a shadow of its former self. Inadequate salaries, a decrepit library and neglect of infrastructure led to a flight of faculty and a severe decline in quality. The best qualified minds went elsewhere. The University of Ghana at Legon and the University of Ibadan in Nigeria have experienced similar declines.

The graduates of these universities often are hired by government bureaucracies acting as employers of last resort. Too often they are assigned meaningless jobs with little supervision. The handicaps under which trained African planners and administrators work in many government agencies are enormous. Salaries often are so low, no one could possibly live on them. As a result, in some countries, government officials operate farms and small businesses on the side and often are absent from their desks. In such conditions, the temptations for corruption are enormous. In addition, these problems have caused many of the best brains to leave government or leave their countries. Many who are educated abroad decide not to return home. An estimated 70,000 Africans trained in Europe remain there. More than 10,000 educated Nigerians repor-

tedly are working in the United States.

Sub-Saharan Africa receives an estimated \$4 billion a year in technical assistance from developed countries. For a group of 42 countries in 1987, technical assistance averaged \$7 per person. More than 100,000 expatriate advisers, managers and technical experts are working in Africa, many more than during the colonial period. Seldom has this aid resulted in a real transfer of technical skills. A 1987 World Bank report found that such aid often is perceived as designed more for the employment of western contractors than to meet actual needs; that projects often are poorly designed by donors; and that projects often are uncoordinated among different donors.

Capacity Building Initiative

It was with this need in mind that the international donor community, meeting in Paris in June 1990, agreed to support an African Capacity Building Initiative (ACBI), designed to increase over the long term Africa's policy analysis and economic management capability.

The initiative is jointly sponsored by the World Bank, the African Development Bank and the United Nations Development Programme. It seeks to:

- Rehabilitate and improve selected national institutions. These could include university departments of economics and public administration; research institu-

tions, and management organizations.

- Build or strengthen a small number of regional institutions for policy analysis and economic management. These will serve as centers for training and for providing advice and new ideas to governments.
- Strengthen or create government policy units in presidential offices, finance and planning ministries, and central banks.
- Provide fellowships to support selected individual Africans in research and training.
- Expand in-service training and work experience for African professionals.
- Strengthen local consulting firms, professional associations and other non-official organizations.

At the same time, the program will seek to improve coordination among donors and the quality of technical assistance programs to Africa.

A number of donor countries already have made financial pledges to the ACBI with a view to mobilizing \$100 million for an initial four-year pilot phase. This is a program with a very long-term view. Its time frame will be measured in decades, not years. But it is essential to start now.

A Broader Arena

Capacity building involves more than training high-level professionals and experts. It is closely linked to the empowerment of ordinary Africans to take charge of their own economic and social development.

Within Africa and in the international donor community, there have been an increasing number of proposals for a greater degree of popular participation in development.

An international conference held in Arusha, Tanzania, in February 1990, jointly sponsored by the United Nations Economic Commission for Africa (ECA) and non-governmental organizations, adopted an African Charter for Popular Participation in Development and Transformation, which said: "there must be an opening up of political processes to accommodate freedom of opinion, tolerate differences ... and ensure the effective participation of the people and their organizations and associations in designing policies and programs."

The World Bank's recent long-term perspective study, *Sub-Saharan Africa, From Crisis to Sustainable Growth*, said that: "Above all, to channel the energies of the population at large, ordinary people should participate more in designing and implementing programs."

Accomplishing this will require raising levels of general education (see *Africa Update: Investing in People*). It also will mean building systems of governance in Africa in which there is more ac-

countability and more room for people and their organizations to express their views on development decisions that affect their lives.

The first generation of independence leaders, faced with a diversity of ethnic groups brought together under illogical boundaries inherited from the colonial period, stressed nation-building and sought to control political dissent. Many built authoritarian, one-party regimes which make no provision for the legitimate transfer of power.

The preoccupation with control also has led to heavy emphasis on military spending at the expense of development efforts. During the mid-1980s, Africa's military expenditure averaged more than twice what it spent on education. Health expenditures have been less than a third of military outlays.

Lacking an indigenous developed private sector at independence, most of these governments themselves became directly involved in production and trade. More than 3,000 public enterprises were created. Except for a flourishing "informal sector" of small entrepreneurs, private enterprise generally has operated under extensive government licensing and regulation. Permission to operate thus became an economic chattel. Incentives shifted from production to seeking the "rents" that accrue to

privilege. This opened the door for corruption.

"The bald fact is that in Africa we have squandered almost 30 years with ineffective nation-building efforts," Olusegun Obasanjo, chairman of the African Leadership Forum and former Nigerian head of state, has said. "...It is high time to cast solid foundations for the legitimacy of our political systems and leaders."

In many African countries there are now strong pressures for greater accountability of government. In Benin, President Matthieu Kerekou renounced Marxism and convened a multi-party constitutional convention. Public pressures for democratic reforms and integrity in government have appeared in many countries.

International donors also are beginning to stress the importance of more accountable government to Africa's development. "The development of many Sub-Saharan African countries has been quite unnecessarily constrained by their political systems," World Bank President Barber B. Conable has said. "Africans can and must tackle this issue. Nobody can tackle it for them ... All too often there is a lack of government accountability to the governed, a lack of the encouragement which would liberate entrepreneurial instincts, a lack generally of fair competition between farmers and firms. Open political participation has been restricted

and even condemned, and those brave enough to speak their minds have too frequently taken grave personal risks."

Former World Bank President Robert S. McNamara has cautioned that, "Outsiders should not attempt to impose on African countries any particular political system." But he suggested that "some basic foundation stones are required by all societies in order to offer people participation in the life of a nation and galvanize them for the development effort." Among these he listed a free press, meritocracy in the civil service, an independent judiciary, institutional pluralism, the rule of law and open debate.

Village participation

Particularly important is participation of people at the village level. Africa is strewn with the bones of rural development projects that failed, in part because local people were not involved in their design and implementation. Often, the donors that started them pulled out after several years, and the projects then collapsed.

The Gambia has pioneered in setting up Village Development Committees that examine the development needs of their communities, set priorities, plan projects, implement them and handle their own finances. When local resources are not enough, they seek aid from the national government, non-governmental organizations or outside donors. As one Gambian puts it: "They are their own development planners."

Togo has adopted a strategy to promote rural development through expanded participation by village-level groups in the design and implementation of development programs.

Local participation has been a strong element in a number of successful village nutrition programs in Mali, Togo, Nigeria, Ghana and Zaire.

Summing Up

Without indigenous capability in policy analysis and economic management, the economic reforms that African countries have undertaken are unlikely to succeed. Supporting this effort is strongly in the interests of the international community as well as in the interests of Africans themselves.

But such increased capacity will achieve little unless Africa also develops forms of governance that permit free expression and full participation in the development process. □

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Population, Agriculture, Environment

1990/91

Halting a Downward Spiral

Sub-Saharan Africa's rapid population growth, sluggish agricultural production and environmental degradation are often thought of as three separate problems. In fact, they are so closely linked that they are in a real sense one problem—which is helping to keep Africa poor and ill-fed.

The combined problem can be summed up very simply: The growth of population, along with traditional methods of agriculture, have caused severe damage to the environment, which in turn is slowing Africa's agricultural growth.

A Growing Food Gap

This downward spiral has profound effects on Africa's living standards and economic development.

Over the past 25 years, Sub-Saharan Africa's population has grown at an average rate of 2.8 percent a year. The current rate is 3.1 percent. Agricultural production, during this period, has grown at an average annual rate of only 2 percent.

The resulting shortfall in food has been partially filled by rising levels of imports, both commercial and food aid. But even with these imports, 100 million Africans, a quarter of the population, are malnourished.

If present rates of growth of population and food production continue, this food gap is projected to grow from the equivalent of 15 million tons of maize in 1990 to 200 million tons by the year 2020 (Figure 1). That is roughly the size of the entire cereal production of the United States in 1989. It is far more than could reasonably be expected to be supplied in food aid. Nor, given the modest projections that are being made for its economic growth, could Africa commercially import that amount.

Economic and Human Effects

Agriculture is the lynchpin of Africa's economic development. It contributes 34 percent of the region's gross domestic product, 40 percent of its exports and 70 percent of its employment. The World Bank estimates that Africa's agricultural growth must double to 4 percent in the next decade in order to fuel economic growth sufficient to raise per capita incomes.

Sluggish agricultural growth is holding Africa back in the global economy. Between 1970 and 1984, the region's world export share of coffee fell by 13 percent, cocoa by 33 and cotton by 29

percent. If Sub-Saharan Africa had maintained its 1970 world market share of non-oil primary products, its export earnings would have been \$9-10 billion higher in 1986-87 than their actual level. The difference is about what the region then was paying each year in debt service.

Given its rate of population growth, Africa must run just to stay even with present, inadequate levels of education and health services. Each year, there are 5 million more school-age children to educate. Between now and the year 2010, about 350 million new workers are expected to seek jobs.



Photo by Nicola de Palma

The Vicious Cycle

As Sub-Saharan Africa's population has grown, the amount of arable land available per person has declined from an average 0.5 hectares in 1965 to 0.3 hectares in 1987. The projection for the year 2000 is 0.2 hectares.

The size of individual farms also has been shrinking. A generation ago, the average farmer in the Arusha area of northern Tanzania had more than five hectares. Now the average is 1.5 to 2 hectares. In Malawi, a quarter of rural households have less than half a hectare, the minimum for a subsistence living under present methods of farming. Farmers in

Kenya and other countries traditionally divide their land among their sons—and they in turn among their sons—resulting in smaller and smaller plots.

When there was more land per person, the traditional system of shifting cultivation was in rough harmony with nature. A farmer would cultivate one plot for a few years, then clear a new one and leave the first to revert to trees and bushes for as much as 10 to 15 years to restore its fertility. As population pressure on the land has increased, many farmers have shortened or eliminated these fallow periods, without restoring nutrients with fertilizer, nitrogen-fixing crops or other means. That has resulted in reduced soil fertility and lower crop yields in many parts of Africa.

At the same time, new land has been brought under cultivation. But often it has been marginal land with lower productivity. The amount of cropped land in Africa has been expanding at an annual rate of 2.8 percent, while production has grown at a rate of 2 percent, suggesting an overall decline in productivity.

Much of the newly cultivated land has come from the clearing of forests and the conversion of pastures. In 1980, Sub-Saharan Africa had about 660 million hectares of forest and woodland. About 3.2 million hectares has been lost each year since. New forests have been planted at the rate of only about 90,000 hectares a year. Since 1965, Togo's forests have shrunk from 45 percent of its total land area to 25 percent; Malawi's from 54 percent to 46; Uganda's from 32 percent to 29.

Forests also are being cut for fuelwood, which in some African countries supplies 90 percent of energy. Annual production of fuelwood and charcoal rose 30

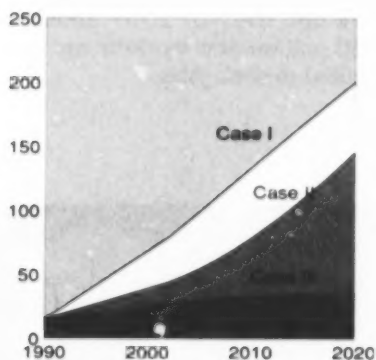
percent in Africa from the mid-1970s to the mid-1980s. As forests near villages and towns are cut down, women and children must spend more time fetching firewood, and households burn more crop residue and manure, which should be used to restore the fertility of the soil.

Deforestation in turn has led to soil erosion as less rain-water is retained on the hillsides and more of it runs unchecked into fields below. While the verdict of science is not yet final, it is highly possible that the loss of forest cover is changing the climate, contributing to the declines in rainfall that have been observed in parts of Africa during the last decade. Many have argued that Africa has abundant arable land for its growing population. But much of this is forest land, which should be preserved.

The increase in the number of people also has resulted in greater pressure on the land from cattle. In parts of Tanzania, overgrazing by cattle has cropped the grass on the hillsides so close that runoff of rainwater has created large gullies in the land. In the Central Plateau of Burkina Faso, heavy grazing has helped turn large sections of open pasture into virtual desert. Farther south in that country, farmers have expanded cultivation in areas long used by cattle herders as routes of seasonal migration. As cattle destroy crops, tensions between farmers and herders have increased.

Another effect has been the rapid disappearance of wildlife. According to the International Union for Conservation of Nature, Africa has lost 63 percent of its original wildlife habitat due to deforestation and other human activity. That threatens the earth's biodiversity and also

Figure 1
Projected Food Gap
Alternate Scenarios
(Millions of tons of maize equivalent)



In Case I, Sub-Saharan Africa's population and food production both continue to grow at present trends. The food gap rises to 200 million tons. In Case II, food production grows at 4 percent, twice its present rate, but population growth stays the same. Only in Case III, where food production grows at 4 percent and the total fertility rate of women drops by half, does the projected food gap stay at manageable levels.
Source: World Bank.

depletes one of Africa's important economic resources, on which much of its tourist industry is based.

What Africa Can Do

Efforts to deal with this vicious cycle must address all of its parts. As Figure 1 shows, it will take both a 4 percent annual growth of agricultural production (twice the past long-term trend) and a 50 percent decline in the human total fertility rate (the average number of children a woman bears in her lifetime) to substantially reduce Africa's projected food gap by the year 2020. It is equally clear that agricultural production can grow over the long term only if it is environmentally sustainable.

Much that is already taking place in Africa shows that progress is possible. For example, several countries have led the way in reducing fertility rates.

- In Botswana, where government clinics provide maternal and child health and family planning services, the rate of contraceptive use has doubled from 16 percent of married women in 1984 to 32 percent in 1988. Fertility has declined from 6.9 children per woman in 1969 to 5 in 1988.
- In Zimbabwe, which has been developing family planning services since independence, contraceptive use has risen from 5 percent in the late 1960s to an estimated 43 percent in 1988. Fertility dropped from 8 children per woman to 5.9 in the space of a decade.
- Mauritius has reduced its fertility rate from over 6 in the 1950s to 2.2 in 1986, and below replacement level

Village Land Management in Burkina

Burkina Faso's Central Plateau is densely populated, with more than 50 inhabitants per square kilometer and in some areas 100.

Its soil is fragile, and its climate is severe. All of its rainfall is concentrated into a three-month period each year.

For generations, its farmers have practiced shifting cultivation—clearing a plot of land, farming it until it loses fertility, then letting it lie fallow and clearing another plot.

The result of all this has been heavy environmental damage. As the population grew, periods of fallow declined and the soil failed to regain its fertility. To clear new land and provide firewood, trees were cut four or five times faster than new ones were grown. With forests diminished, the runoff from the rains stripped topsoil from the land. Now, in what was once a promising agricultural area, much of the ground is a hard crust, through which poke a few scrawny trees and shrubs.

These conditions have led to a large migration away from the

plateau. In some areas farther south, the influx of farmers has overwhelmed traditional systems of allocating land and is threatening to duplicate similar environmental conditions. Heavy grazing of cattle has added to the problem.

Burkina Faso has developed an innovative program of village land management (Programme National de Gestion des Terroirs Villagers) in which local communities themselves are making decisions to deal with these problems. It seeks to develop environmentally sustainable agricultural practices and also to secure rights to land (or to its use) so that those who invest in improved agriculture will get the benefits. The goal is a contract between a community and the government. The community agrees to develop and implement a land management plan. The government provides technical and financial help and recognizes local land rights. The World Bank plans to help expand the program from its present pilot stage. □

today. Family planning, health education, increased primary education and a higher standard of living all contributed to this reduction.

Many methods of environmentally sustainable agriculture already are being carried out in parts of Africa at very low cost. Farmers living on the densely populated slopes of Mt. Meru in northern Tanzania have developed, on their own, a system of intense intercropping, in which bananas, coffee, maize,

beans, fruit trees and fast-growing trees for firewood are grown together on the same small plots. The banana trees provide essential shade for the coffee. The beans restore nitrogen to the soil. The dense vegetation controls erosion.

In at least two dozen African countries where there are active extension services, farmers are proving on thousands of demonstration plots that simple techniques of plant spacing, fertilizing, weeding and intermin-

gling crops, trees and cattle can increase their yields.

A number of countries have taken steps to replenish their forests. By 1985, Zambia had created 45,000 hectares of industrial forest plantations, enough to satisfy anticipated fuel demand to the end of the century. Kenya's Green Belt Movement, which was started in 1977 by the National Council of Women of Kenya, has helped thousands of communities and individual farmers establish stands of trees in school yards, along roads and within farms.

Another approach to conserving forests is the use of inexpensive stoves which are more efficient and therefore burn less wood. One variety introduced in Kenya has allowed households to cut fuel use by a third. Another design in Burkina Faso achieved fuel savings of 30 to 70 percent. Such stoves not only conserve trees but also reduce

the time women spend fetching wood and thereby allow them more time to care for and feed their children.

Still another important approach involves the role of women. In many African countries, women grow most of the food and also help with or manage the production of cash crops. However, their rights to land are often secondary; they have a harder time obtaining supplies and credit; they often have been overlooked by extension services. The education of girls is of particular significance. Studies in many countries have shown that the more education women have, the healthier are their children and the smaller are their families.

Sharing the Costs

The downward spiral of rapid population growth, agricultural stagnation and environmental depletion has become a critical

issue for Africa. In the first instance, it is Africans who must solve the problem. But they will need support from the world community in the form of technology and financial aid.

It is strongly in the interests of the developed world to help find solutions. More and more, the problems of any one part of the world are the problems of all. This is particularly true with respect to the earth's environment.

As former World Bank President Robert S. McNamara summed it up in a speech to the African Leadership Forum in Nigeria in June 1990: "We are talking about the 'global commons' here and of the benefits that will accrue to all of us—industrial and developing countries alike—by preserving Africa's patrimony. The issue, therefore, is not so much one of aid, but of cost-sharing." □

Kenyans Stress Smaller Families

Attitudes toward population and family size are changing significantly in Kenya.

Contraceptive usage has risen there by 50 percent in the last five years. Twenty-seven percent of married Kenyan women currently use some method of contraception, compared to 17 percent in 1984. Two-thirds are using a modern method.

The total fertility rate — the number of children the average woman bears in her lifetime — has fallen from 7.7 in 1984 to 6.7 in 1989. Almost 50 percent of married Kenyan women say they want no more children, a much higher number than most other African countries. Twenty-

six percent want another child, but only after two or more years.

The changing statistics are due in large part to an active national effort to educate the public about population growth and to make available family planning services. Schools, churches, nongovernmental organizations, the mass media and labor unions are involved.

The education of children also has been a major factor. Almost all Kenyan children attend primary school. Parents pay for books and uniforms and contribute fees. Many Kenyans say the expense of educating children is one reason they want smaller families. □

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Reducing Africa's Debt Burden

Although substantial progress has been made in addressing Africa's debt problem in recent years, it remains a fundamental obstacle to Africa's growth and development—and much more needs to be done to deal with it.

At the end of 1989, Sub-Saharan Africa's total foreign debt was estimated at \$146 billion, roughly \$300 for every inhabitant (Figure 1).

During 1989, the principal and interest that Sub-Saharan African countries paid on this debt—after debt relief—amounted to 27 percent of their export earnings. This actual debt service ratio is only slightly below its peak in the mid-1980s (Figure 2). It is a large bite out of scarce resources that are needed to finance recurrent imports and investment, both of which are necessary for growth. In countries which at best face an uphill economic struggle, this high a ratio is a serious constraint to development.

Special Program of Assistance

International efforts to address Africa's debt burden have so far mainly focused on countries that meet three criteria: They are poor—defined as eligible for low-interest aid from the World Bank's International Development Association (IDA), but not for higher interest loans from the International Bank for

Reconstruction and Development (IBRD). All have debt service ratios projected, before debt relief, at more than 30 percent of exports. All are carrying out structural adjustment programs endorsed and in general supported by the World Bank and International Monetary Fund.

A Special Program of Assistance (SPA) for African countries meeting these criteria was launched by the World Bank and 18 other international and bilateral donors in late 1987. By the end of 1989, 22 countries had been declared eligible. A 23rd country, Zambia, was added in March 1990. The statistics in this report cover the first 22 countries, which had an average income per person of about \$240 a year in 1988-90.

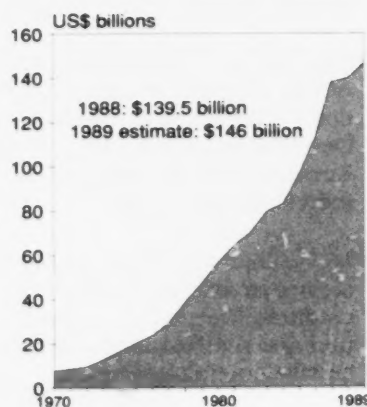
The thrust of the SPA program is to increase the net amount of money available to these countries for development, through a combination of debt service relief and low-interest loans and grants for balance of payments support.

By the time the first phase of the program, covering 1988-90, is completed, the SPA countries will have received about \$18 billion in these two types of support—almost half of it in the form of debt relief. About \$15 billion of this will come from the SPA itself, the rest from previously planned adjustment aid.

Based on current estimates, the \$18 billion includes:

- \$2.6 billion in long-term, low-interest IDA adjustment lending.
- Nearly \$200 million in supplemental IDA credits and co-financing for countries that used to borrow from the IBRD to offset a large part of their interest payments to the IBRD.

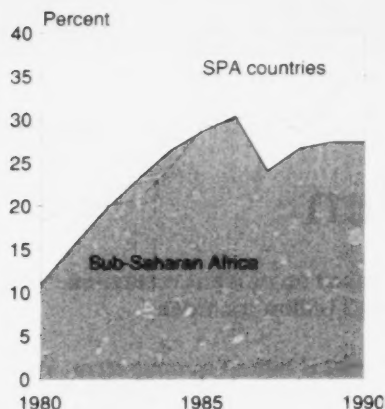
Figure 1
Sub-Saharan Africa's Debt



Note: Total external debt outstanding and disbursed at year end.

Source: World Bank Debtor Reporting System (DRS).

Figure 2
Debt Service Ratio



Ratio of debt service actually paid to exports of goods and services for Sub-Saharan Africa and countries aided by Special Program of Assistance (SPA).

Source: World Bank Debtor Reporting System (DRS).

- \$2.2 billion from the International Monetary Fund through its Structural Adjustment Facility (SAF), Extended Structural Adjustment Facility (ESAF) and standby arrangements.
- \$4.2 billion in balance of payments aid from 18 other donors including the African Development Bank, the European Community and 16 individual countries.
- \$8.7 billion in reduced debt service to official bilateral creditors, through cancellation and rescheduling of debt service, including arrears.

Without this support, the SPA countries would face a financing shortfall of about \$18.5 billion during 1988-90, forcing them to sharply cut their day-to-day imports, postpone investment and

slow their growth. Donor aid and debt relief, augmented by the SPA, will fill more than 95 percent of this gap, leaving about \$600 million of it unfinanced (Figure 3).

The SPA donors have agreed to a second phase of the program (SPA2) for 1991-93. The Bank estimates the financing need will be about \$22.5 billion during that period. SPA2 will also seek to improve the coordination and quality of aid, and increase discussion among donors about development issues.

The Need to Do More

The SPA countries averaged 3.7 percent annual growth of gross domestic product (GDP) during 1988-89, slightly better than the 3 percent for Sub-Saharan Africa as a whole. GDP grew faster than population in 14 of the 22 SPA countries, compared with only 5 in 1981-84. But, despite this encouraging progress, their development remains fragile. In 1990, their debt service is estimated at about 50 percent of their exports before rescheduling and 35 percent after. This would be unsustainable in most countries with far more advanced economies.

Even assuming the success of SPA2, the outlook for these countries is a matter for concern. Their actual debt service in 1993 is projected at 24 percent of exports, still a high level. Their average annual per capita income in 1993 is projected at about \$250—about \$10 more than at the start of SPA1.

To improve on this outlook, these countries must address fundamental problems that go beyond debt, such as population growth, agricultural productivity, the investment climate and the competitiveness of their exports. But solutions to these problems

will take time, and, meanwhile, they need adequate resources for growth. There are many possible ways in which these resources can be still further increased.

Cancelling Concessional Debt

One is by cancelling debt. By 1987, western industrial countries had cancelled \$2 billion in concessional (low-interest, long-term) debt owed to them by SPA countries. Under the SPA, these donors (notably Belgium, Canada, France, Germany and the United States) are expected to cancel another \$5 billion during 1988-90. (A few donors, including Japan, are instead providing additional grants to finance the debt service on these loans.)

This leaves roughly \$2 billion in concessional debt still owed to member countries of the Organization for Economic Cooperation and Development (OECD), plus another \$7 billion owed by low-income African countries to non-OECD creditor countries, which are not part of the SPA.

The short-term cash flow effect of cancelling concessional debt is relatively small. The terms were lenient to begin with and much of the debt service is rescheduled or is simply not being paid. But writing off more of this debt would demonstrate support for African countries and would reduce the long-term pileup of the stock of outstanding debt, which represents such a daunting problem for the region.

Toronto and the Paris Club

Rescheduling of nonconcessional debt (bearing market-based interest rates) which low-income African countries owe to governments in the developed world provides even more relief. The Paris Club, which reschedules debt owed to

OECD governments, has in recent years gradually been making the terms more generous. At an economic summit in Toronto in June 1988, the heads of the seven leading industrial countries adopted a formula that would allow some of this nonconcessional debt to be rescheduled on concessional terms. They spelled out three options for doing so: (A) forgive one-third of debt service due; (B) reschedule with longer grace periods and maturities (14 and 25 years respectively); and (C) reschedule at lower interest rates.

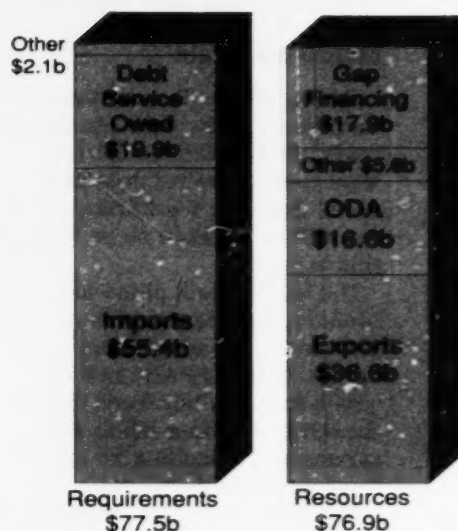
By February 1990, the Paris Club had applied a mixture of these options to the rescheduling of about \$3 billion in debt service owed to western governments by 14 low-income African countries. By the end of 1990, the total is expected to reach \$5 billion.

While the Toronto formula gives countries more relief than previous rescheduling practices, its benefits to debtor countries could be increased further in several ways:

- A sizable amount of debt service currently is considered ineligible for rescheduling. The Paris Club sometimes does not reschedule debt that has already been rescheduled once. And it does not reschedule debt incurred after a cutoff date (the date of the country's first rescheduling—in some cases as early as 1981). During 1991-93, about \$900 million in debt service falling due for SPA countries is considered ineligible on these two grounds. Rescheduling all previously rescheduled debt and moving the cutoff forward would thus be of substantial benefit to these countries.

Figure 3

Filling the Gap in Development Resources (Flows to and from SPA countries, 1988-90)



GAP FINANCING:

Debt relief	\$8.7b
IDA	2.6
Special Credits	0.2
IMF	2.2
Cofinancing	4.2
TOTAL	\$17.9b

This leaves a gap between requirements and resources of \$600 million. "Debt service owed" is before debt relief. "Other" requirements include \$1.4b reserve buildup. ODA (official development assistance) includes grants and low-interest loans to finance projects. "Other" resources include \$2.1b in official and private market-based loans, \$3.5b in private transfers and \$200m in direct investment. Source: World Bank.

- Rescheduling involves postponing the payment of debt service. But this relief does not come to debtor countries free of charge. They must pay interest on the amount postponed. Normally, this so-called "moratorium interest" is itself not reschedulable. As more debt obligations are rescheduled each year, the amount of moratorium interest grows. For SPA countries, it will total \$1.2 billion during the three year period 1991-93. By 2000 it will reach \$1.5 billion for that year alone. The burden could be reduced by making this interest eligible for rescheduling, or by making the terms of rescheduling more concessional, so that less interest accumulates.

- As currently carried out, Toronto reschedulings are barely concessional. Their grant element—the portion of debt actually written off—is 20 percent. Only one Paris Club member, France, systematically writes off a third of debt service under Option A. About half the members reduce interest rates under Option C. A third of Toronto rescheduling has been at market-based interest rates, though over longer periods of time. This will reduce debt service during the next few years but cause it to rise sharply in the late 1990s and into the next century. Greater use of Options A and C would reduce this effect. In addition, these two options could themselves be made more concessional by writing off a higher

percentage of debt service or lowering interest rates to a greater extent.

- More rescheduling could be done on a multi-year basis instead of a year at a time. Economic reforms become more effective when a country can project future debt relief with certainty. So far this has been done only with Mali.

The Quality of Aid

Some western governments still lend to SPA countries at market-based interest rates. A uniform policy of extending only concessional aid would help reduce debt burdens.

Some donor governments, when extending debt relief on concessional terms, deduct the cost from their aid budgets—in which case, the net benefit to the recipient country may be zero.

There also are many ways in which governments could increase the effectiveness of their aid. For example, some donors "tie" their aid, which means that supplies and services must be procured in the donor country. Since this often is not the cheapest source, aid funds do not stretch as far as they could.

Commercial Bank Debt

In 1989, Sub-Saharan African countries owed \$15 billion in long-term debt to commercial banks. Although small in relation to their total debt, commercial bank debt is a problem for a number of low-income African countries. In aggregate, banks currently receive more in debt

service from Africa than they give in new loans. In 1989, the World Bank created a \$100 million special facility to provide grants to help reduce this commercial debt and debt service, mainly through cash buybacks.

Multilateral Debt

During 1988-89, an estimated 45 percent of the debt service actually paid by SPA countries went to multilateral organizations. Both the World Bank and the IMF have taken steps to ease this burden.

The World Bank plans to broaden its program of supplemental IDA adjustment credits to help SPA countries which formerly borrowed from the IBRD pay their IBRD debt service and is looking for co-financing for this program.

The IMF created its Structural Adjustment Facility (SAF) in 1986 and Enhanced Structural Adjustment Facility (ESAF) in 1987. By the end of 1989, there were SAF or ESAF arrangements in almost all SPA countries, totaling \$1.7 billion in disbursements during the SPA period.

Countries Outside SPA

About a dozen low-income African countries currently are not part of the SPA, and many of these have severe debt problems. It is hoped that more of them will adopt significant adjustment programs and thus become eligible to join. Arrangements are being put in place to help such countries deal with arrears to multilateral agencies which could otherwise make them ineligible.

Nigeria, Africa's most populous country, is in a category of its own. Following its oil boom and bust, it has been reclassified from middle-income to low-income status. Because it continues to borrow from the IBRD, it is ineligible for the SPA, nor has it received Toronto terms from the Paris Club.

There is so far no comprehensive plan for Nigeria, nor for Africa's middle-income countries, many of which face problems very similar to those of the low-income countries. Unlike middle-income countries elsewhere in the world, most of their debt is owed to official creditors. Yet they are presently ineligible for the SPA, and the Toronto terms of rescheduling have so far not been applied to them.

Creative new approaches are now required to address their special problems. In the meantime, the SPA will help monitor the financing needs of Nigeria and the middle-income countries—which could provide a basis for a realistic solution. □

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